GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA

UNSTARRED QUESTION NO:1136
ANSWERED ON:29.11.2006
IMBALANCE BETWEEN GROWTH AND DISTRIBUTION
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Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) Whether poverty has declined by a mere 0.74 per cent during the last decade inspite of spectacular economic growth during this period, as per the report of the National Sample Survey Organisation (NSSO);

(b) If so, the details thereof alongwith the reasons for this imbalance between growth and distribution; and

(c)The measures being contemplated by the Union Government to bridge the gap?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE),IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI G.K. VASAN)

(a) The poverty estimates are prepared based on the results of the large sample surveys conducted by National Sample Survey Organisation (NSSO) on household consumer expenditure on quinquennial basis. The last such survey was conducted during 2004-05, as a part of 61st round NSS survey. The report on consumption expenditure is yet to be released. However, based on some preliminary results available for use in the approach paper to the 11th Five Year Plan, the poverty ratio at the national level in 2004-05 has been estimated as about 22 per cent using Mixed Recall Period (MRP, in which the consumer expenditure data of five non-food items, namely, clothing, foot wear , durable goods, education and institutional medical expenses are collected from 365-day recall period and the consumption data for the remaining items are collected from 30-day recall period). The reduction in poverty during the period 1993-94 to 2004-05 is 0.74 percent per year.

(b) During 2004-05 the percentage of population below the poverty line was almost 28 percent where as it was 36 percent in 1993-94. This implies a decrease in the poverty ratio by 0.74 percent per year during the period. The average annual growth rate of gross domestic product (GDP) in real terms for the period 1993-94 to 2004-05 is estimated as 6.3 percent. The relationship between the increase in the growth rate of economy and reduction of poverty are determined by a complex set of factors..Unequal agricultural development, frictions and rigidity in the Indian economy are some of the reasons for the imbalance between the growth and distribution. On account of unequal agricultural development, slow growth in some States and sectors where employment opportunities could have been created, the benefits of growth have trickled down differently among different sections and classes of people.

(c) The broad strategy for economic development during the Eleventh Plan Period (2007-2012) has been set out to bridge the gap in the Draft Approach Paper to the Eleventh Plan which has been prepared for consideration by the National Development Council.